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FOR NEA PDAS CHENEY AND DAS CARPENTER, AND NEA/PI, NEA/ARPI

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SUBJECT: MEPI AND BMENA IN KUWAIT: YOUNG ARAB LEADERS

ORGANIZATION AND YOUTH THEME OF FORUM FOR FUTURE TAKE SHAPE

¶1. SUMMARY AND COMMENT On December 27, Ambassador met with Maha Al-Ghunaim, Vice-Chairperson and Managing Director of Global Investment House (GIH), to discuss the Young Arab Leaders organization in Kuwait (YAL-K). Also on 12/27, Ambassador spoke with Kuwait Economic Society head Dr. Rola Dashti about her efforts to put together programs to engage regional youth as part of the Kuwaiti responsibility for this aspect of the work of the Forum for the Future. YAL-K, a branch of the regional YAL founded in Dubai in February, 2004, is launching a fund in Kuwait similar to the Fund for the Future to support small business ideas, and has an ambitious set of projects designed to promote civic action and practical business training for youth. YAL-K is working with the Kuwait Economic Society to help implement Kuwait's commitment to take on the "youth" file in the Forum for the Future. Dashti is planning two regional conferences: one on elements of success and failure for entrepreneurs and another on regional youths' perceptions of the future. Both Al-Ghunaim and Dashti noted that the challenge now is to turn a lot of good ideas into real projects, and they looked forward to working with the Embassy's MEPI team as they proceed.

¶2. Both Al-Ghunaim and Dashti noted the difficulty they have encountered in turning good ideas into concrete projects. Although many young people in Kuwait are initially enthusiastic about new projects, few show the commitment for sustained follow-through. Ambassador offered the support of the Embassy MEPI team to complement the YAL, Forum for the Future, and Kuwait Youth Organization efforts wherever possible. Dashti mentioned an upcoming meeting with Kuwait MEPI Coordinator Tanya Anderson, and thanked Ambassador for Anderson's assistance and skillful guidance. END SUMMARY AND COMMENT

"Young Arab Leaders" in Formative Stage

¶3. On December 27, Ambassador and Econoff met with Maha Al-Ghunaim, Vice-Chairperson and Managing Director of Global Investment House (GIH) to discuss the Young Arab Leaders organization (YAL). YAL was launched in February 2004 as an initiative to encourage networking among young Arab business people under the age of 43, and has its headquarters in Dubai. YAL-Kuwait (YAL-K) is administered by a five-member steering committee headed by Al-Ghunaim; others on the steering committee include Dr. Rola Dashti of the Kuwait Economic Society (KES), Faïd Al-Fozan of Gulf Holding Company, Ayad Al-Khorafi of the Kuwait Scientific Club, Rana Al-Khalid of National Bank of Kuwait (NBK) Capital, liberal MP Ali Al-Rashed, and Dana Al-Sabah of the American University of Kuwait (AUK). In contrast to the membership criteria recommended by the Dubai-based YAL, which includes a minimum net-worth and a documented business success story, Al-Ghunaim said that YAL-K had argued for and received

approval for its own set of criteria that include non-wealth-based achievements, looking to NGOs and GOK ministries for up and coming members, in addition to the business community. She opined that there is too much focus in Kuwait on creating wealth, and too little attention paid to community service. For the time being, YAL-K is under the legal umbrella of the Kuwait Economic Society; Al-Ghunaim said that KES member (and MP) Ali Al-Rashed is in charge of getting YAL-K the required NGO license from the Ministry of Social Affairs and Labor, so that YAL-K can function as an independent entity. At present YAL-K has about 50 members, and Al-Ghunaim hoped to have more than 200 by the end of 2006. The membership fee is set at 600 dinars, approximately 2100 dollars, per year.

14. One of the activities of the YAL will be an equity fund for young investors in Kuwait. Al-Ghunaim commented that "there is hardly any capital in Kuwait for the young." GIH will be the "filter" for funds to these entrepreneurs, and will administer the fund at cost. YAL-K has not yet raised the projected \$50 million in capital for the fund. Al-Ghunaim acknowledged that the fund's success is not assured, noting the mixed results of a similar Kuwait Investment Authority (KIA) program. The KIA program, endowed with approximately USD 350 million but burdened with overly-restrictive qualification criteria and political controversy, has disbursed less than USD 15 million to young entrepreneurs. Al-Ghunaim asked whether the USG would be interested in investing in the fund. Ambassador replied that this would be unlikely given the needs of the Fund for the Future and its initial focus on Morocco and Egypt, where capital for such needs is even harder to find.

15. According to Al-Ghunaim, YAL-K will also focus on "what's missing" among young Kuwaitis, with a two-pronged approach

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targeting the "Motivational Aspect" and the "Educational Aspect." She gave examples of training in public speaking through the Toastmasters program and training for women investors to help them make independent decisions about where to put their investment funds. She invited the Ambassador to participate in promotional events surrounding YAL-K's formal launch (with a target date of June 2006). (We will fax to NEA/ARPI a copy of the YAL brochure summarizing the organization's purpose and action plan.)

"Youth" and Forum for the Future

16. Ambassador spoke with Dr. Rola Dashti the same day to get more details on a topic Al-Ghunaim had mentioned but not elaborated on -- Kuwait's role in implementing the "youth" area of concentration of the Forum for the Future. Dashti explained that Kuwait had lobbied for this area of concentration to be added at the Bahrain Forum meeting, and then agreed to take on the task of developing the theme. She said that the Kuwait Economic Society, working with the YAL chapter, is planning two conferences. The first would bring both successful and unsuccessful young entrepreneurs from the region together to compare experiences and to make recommendations on how to improve the business climate. This, she said, would complement the plans of the Fund for the Future to finance SME projects. The second conference would bring together young adults from the BMENA region to discuss their "perceptions about the future," and document how they see the future, how to change it, and then to bring their recommendations to the next "Forum for the Future" meeting in Jordan.

17. Dashti also described a new organization for 18-35 year old Kuwaitis called the Kuwait Youth Organization, formed under the auspices (for now) of the Kuwait Economic Society. She views the organization as an alternative to Muslim fundamentalist youth organizations and said that it already had a capable board and 75-80 members. Ambassador advised

that we would look forward to working with this organization, through the MEPI small grants or other programs, and Dashti said that she would help facilitate a meeting in the near future. Dashti also mentioned that Microsoft had provided a grant under its "Unlimited Potential" program to offer computer literacy training to women and under-served populations. She was in the process of finding appropriate sites for the training.

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